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60,130-2399; 02MRA0191

**REMARKS**

Claims 1-20 remain pending in the application including independent claims 1, 9, 13, and 17. New dependent claims 21-23 have been added.

Claim 13 is indicated as allowable. Please note that claims 14-16 depend from claim 13. As claims 14-16 depend from an allowable claim, these claims should also be allowable. Claim 13 has been rewritten in independent form. Thus, claims 13-16 should now be in condition for allowance.

The drawings stand objected to for not showing reference 112, which is mentioned in the description. Figure 5 has been amended to show reference number 112. A Replacement Sheet is attached hereto. No new matter has been added.

The drawings stand objected to for showing reference 111, which is not mentioned in the description. The specification has been amended to correct a numbering error. No new matter has been added. Applicant respectfully asserts that all drawing objections have now been overcome.

Claims 1 and 9 have been amended in response to the examiner's claim objections set forth at Item 2 of the present office action.

Claims 1-4, 6-12, and 14-19 stand rejected under 35 U.S.C. 102(b) as being anticipated by Keller (US 5030181). Claim 1 recites that the shift collar directly engages the differential case. Keller does not disclose or suggest this feature. The examiner argues that Keller discloses a shift collar 18 that directly engages differential case 24; however, element 24 of Keller does not comprise a differential case. As shown in Figure 1, element 24 clearly comprises a gear element, and is not a differential case as defined in the claim.

Claim 1 recites the feature of a differential including a differential gear assembly supported *within* a differential case. Element 24 of Keller clearly does not comprise a differential case and is described as a "clutch wheel," see col. 4, lines 52-56. Further, the differential gear assembly of Keller is not supported within element 24 as defined in the claims. As such, one of ordinary skill in the art would not consider the clutch wheel 24 as comprising a differential case, especially as Figure 1 clearly shows a differential case (not numbered) that is separate from the clutch wheel 24, and within which the differential gear assembly is supported.

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Claim 9 recites the features of a carrier including a pinion gear driven by the driving input and a ring gear in meshing engagement with the pinion gear, a differential including a differential gear assembly supported by a differential case wherein the ring gear is attached to the differential case to drive the differential gear assembly, and a locking mechanism including a shift collar that is moved into locking engagement with the differential case. The examiner argues that Keller discloses a ring gear 24, a differential case 24, C and a shift collar 18 that are configured as defined in claim 9. Applicant respectfully disagrees.

Element 24 comprises a ring gear or clutch wheel that is in meshing engagement with the pinion gear (not numbered). The differential case (not numbered) supports the spider and differential gear assembly, and is clearly a separate component from the ring gear 24. The ring gear 24 does not comprise the differential case. Claim 9 recites that the ring gear is attached to the differential case and that the shift collar is in locking engagement with the differential case. Figure 1 shows that shift collar 18 engages the ring gear 24, not the differential case. Thus, applicant asserts that claim 9 is allowable over Keller. For similar reasons claim 17 is also allowable over Keller.

Further, the examiner has set forth 35 U.S.C. 102(b) rejections for claims 14-16. As discussed above, these claims ultimately depend from claim 13, which has been indicated as allowable. Thus, applicant respectfully requests that claims 14-16 be allowed.

Claims 5 and 20 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Keller in view of Jordan (US 4662499). For the reasons set forth above, Keller does not disclose, suggest, or teach the claimed features. Jordan does not make up for the deficiencies of Keller.

Claim 15 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Keller in view of Sugimoto (US 6063000). Claim 15 depends from claim 13, which has been indicated as allowable. Thus, claim 15 is also allowable and applicant requests that the rejection be withdrawn.

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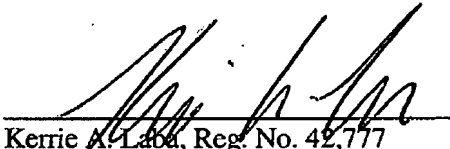
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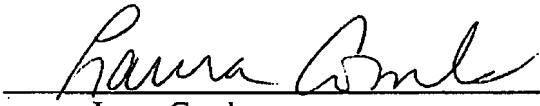
Applicant asserts that all claims are in condition for allowance and respectfully requests an indication of such. Fees in the amount of \$470.00 (one additional independent claim; 3 dependent claims over 20; and one-month extension) may be charged to Deposit Account No. 50-1482, in the name of Carlson, Gaskey & Olds. It is believed that no additional fees are due, however, the Commissioner is authorized to charge Deposit Account No. 50-1482, in the name of Carlson, Gaskey & Olds, for any additional fees or credit the account for any overpayment.

Respectfully submitted,

  
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## CERTIFICATE OF TRANSMISSION UNDER 37 CFR 1.8

I hereby certify that this correspondence is being facsimile transmitted to the United States patent and Trademark Office, fax number (571) 273-8300, on June 21, 2007.

  
Laura Combs